

**DRAFT REPORT**

**PRIVATE PROPERTY MANAGEMENT DEMONSTRATION PROJECT**

**Odessa, Ukraine**

**July, 1994**

**PREPARED BY**

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# 1 Overview of the Project

The City of Odessa, Ukraine, after attending a seminar on the private property management demonstration project being conducted in Novosibirsk, Russia, requested assistance in conducting a demonstration in private property management. The goal of the demonstration is to improve maintenance of municipal housing stock through private management and costs savings. These goals will be accomplished through better response, staff accountability and organization of maintenance activity. The demonstration will remove approximately 2,000 apartment units from management by the city and place them under the management of a private firm. Implementation of the demonstration required that a resident advisor assist the city in performing necessary steps to:

- identify a site for the demonstration;
- define the roles of the private firm and the city for the project;
- develop documents which specify the formal relationships and requirements of both the private firm and the city;
- train city employees and potential management contractors in private property management practices;
- solicit bids and select a private management contractor; and
- implement the management work.

The project progressed through a number of stages during the first four months of activity. The Housing Department officials spent considerable time assisting the Resident Advisor in understanding the current system of housing maintenance in Odessa. The Resident Advisor educated city officials on property management systems used in the United States. Other stages of project implementation included:

- selection of a site for the demonstration;
- public relations and advertising;
- collection of data for budgeting;
- staffing decision making;
- presentations to the city executive committee for project approvals;
- developing contract and management plan documents;
- soliciting bids; and
- selecting a contractor.

The ongoing private property management demonstration projects in Moscow and Novosibirsk, and the differences between them, were described to the Housing Department officials, and they made decisions about the model on which to base the Odessa demonstration. In principle, Odessa officials selected the Novosibirsk demonstration as the model for Odessa. Key aspects of the Novosibirsk model which were used in the Odessa demonstration included:

- use of the management contractor functioning in the position of “administrative director” of the Housing Maintenance Unit (ZHEU) employees;
- including as part of the contractors responsibilities, rent collection;

- a very simple bidding process, which in fact was an application process — not full bid preparation.

As the demonstration progressed, the question of whether the company should be an “administrative director” for current employees, or a stand-alone full service management firm was debated. The project will likely begin with the administrative director model and progress to absorption of ZHEU employees resulting in a full service property management firm.

Many of the activities were completed by June 17 (the original implementation date), but several time delays resulted in the final agreements, city approvals, and implementation of the work being delayed. This report covers the activity through June 15, 1994.

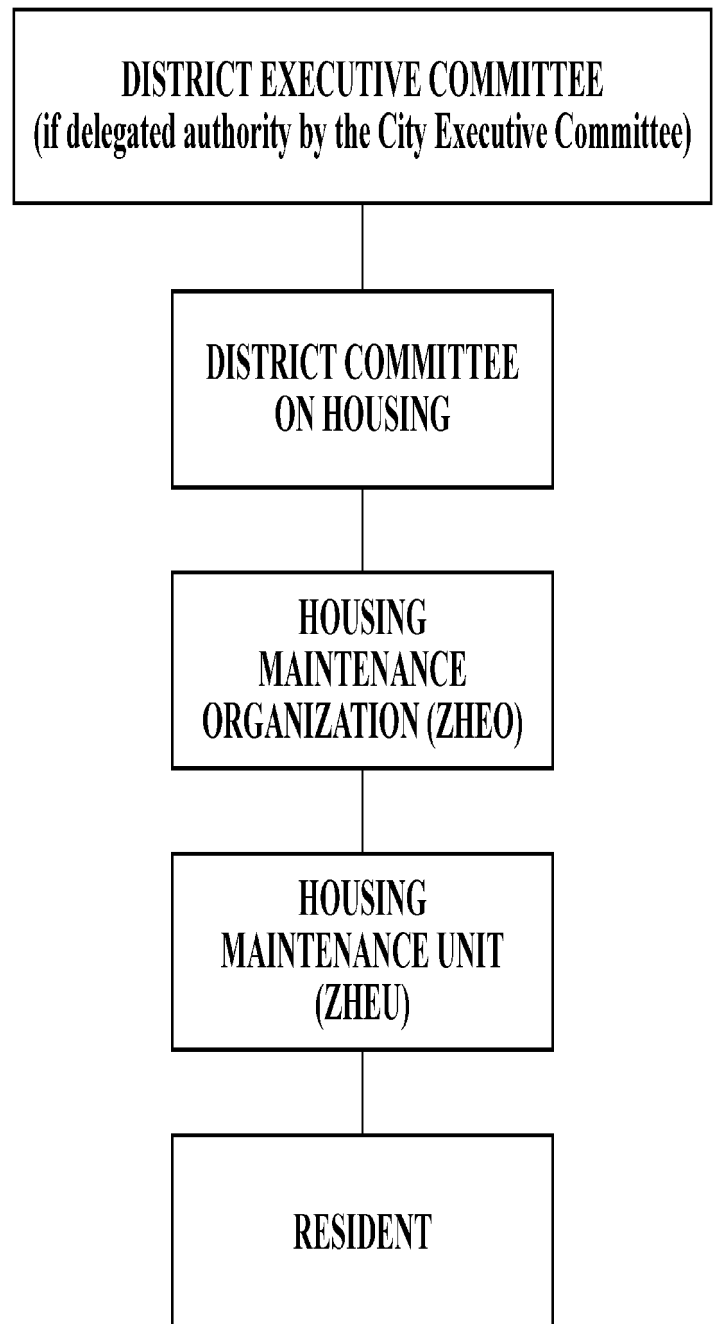
Major activities in completing the work are described below, including a description of the activity, key contacts within the Housing Department and city, and time period during which the activity occurred.

This report is organized by the key steps in the process of organizing and implementing the demonstration project. The report should be used as a guidebook for future privatization of housing efforts in the NIS. All of the documents prepared for the project are annexes to the report. Michael Lynn completed the demonstration and is preparing a process report which will be combined with this report to present a complete process document.

## 2 Organization of the City of Odessa Housing Maintenance Operation

The following charts shows the two types of chain of authority and command for the maintenance of municipal housing in Odessa.

Two graphics showing chain-of-authority charts go here



### **3 Identifying the Demonstration Site**

**Key Contacts:** Chief, Department of Housing  
Vice Chief, Department of Housing  
Acting Director, Housing Management  
Engineers, Department of Housing

**Timing:** Two weeks

#### **Description of Activity:**

During preliminary meetings with the Chief and Vice Chief of the Housing Department, a general description of an appropriate site was provided by the RA. It was requested that approximately 2,000 units be selected. The RA and the Chief and Vice Chief discussed the possibility of choosing one ZHEU's housing stock, versus a combination of buildings managed by several ZHEUs. It was determined that in order to simplify the city council approval process and provide authorizations for management by a private firm, an entire housing maintenance unit area would be chosen.

Sites recommended by the Vice Chief included central city locations and outlying district locations. The RA visited seven (7) sites, and, with recommendations by the Vice Chief and Housing Department staff, selected a central city location.

Primary reasons for the recommendation by the Housing Department included:

- The Central District Mayor and Housing Maintenance Administrative Organization (ZHEO) Director were supportive of the demonstration project and hoped to have it conducted within the Central District. This support would allow an easier transition of maintenance authority from the city to the private company.
- A primary goal of the city is to reduce subsidy. City officials want the demonstration site to receive no subsidy. Housing Department officials believed that the large number of commercial renters and rent due in this area would result in no need for subsidy.
- This ZHEU had no Director, and therefore the private contractor would have less difficulty in assuming control of the ZHEU staff.

Political support for the project was very important, and, along with the central and visible location and size of the area, the RA agreed with Housing Department officials that determined this site would be acceptable. Challenges to success include the age and extensive structural deterioration of the buildings and the utility infrastructure, and the large number of commercial tenants within the area.

## **4 Determining the Party to Act as Agent for the Owner**

**Key Contacts:** Chief, Housing Department  
Vice Chief, Housing Department  
Lawyer, Housing Department (Head of Office of Privatization)  
Mayor, Central District  
Deputy Mayor, Central District  
Deputy Mayor, City of Odessa Executive Committee  
First Deputy Mayor, City of Odessa  
Mayor, City of Odessa

**Timing:** Ongoing. This issue was discussed throughout the entire demonstration start-up period. Will be resolved at final city approval of the project. It would have been helpful to have had more extensive discussion of this issue while negotiating the contract with USAID.

### **Description of the Activity:**

Discussions were held with the Chief and Vice Chief of the Housing Department regarding the most appropriate organization to execute the contract with the private company and act as agent for the owner (the city). This oversight function will be critical to ongoing success of the project because monitoring of performance will be a primary measure of demonstration project success.

The City Council had previously delegated authority to the Central District Executive Committee as owner and manager of the housing stock. The logical choices of an organization to act as the agent for the owner were the City Council Executive Committee, the Central District Executive Committee, or the Housing Department. The Central District Mayor did not want the responsibility for the demonstration, and preferred that the Housing Department act as the agent for the owner. Both the Housing Department and the RA believed that since the Housing Department had the expertise to use in monitoring demonstration performance, the authority of ownership and management should be reassigned from the Central District to the Housing Department. This recommendation was presented to the City Council Executive Committee. The transfer of such authority appeared to the Mayor and other officials within the city to have a negative influence in their re-election campaigns and therefore rejected the recommendation.

When draft documents were presented to the City Council Executive Committee in April, the Mayor was opposed to the Housing Department acting as the agent. He supported the Central District Executive Committee as agent. The First Deputy Mayor Avksentjev supported the Housing Department. Deputy Mayor Belykh was noncommittal in his statements, which seemed to contradict his previously stated strong support of the Housing Department.

The City Council Executive committee decided to table the question of which organization would act at the owner's agent, and reconsider it at the time the contractor was selected. After this

decision, some behind-the-scenes negotiations occurred between the Chief of the Housing Department, First Deputy Avksentjev, and the Mayor. The decision, while not formally adopted until the contractor is presented to the board, is to delegate authority to the Housing Department to act as agent for the owner.

## **5 Data Collection and Preliminary Budget Development**

**Key Contacts:** Vice Chief, Housing Department  
Director, Central District Housing Maintenance Organization (ZHEO)  
Chief Accountant, Housing Department  
Chief Accountant, Central District ZHEO  
Chief Financial Planner, Housing Department

**Timing:** Ongoing. Data Collection began in early March, and was collected and revised through April. As final monthly reports were completed for April and May, that data was collected and used.

### **Description of the Activity:**

Immediately upon selection of the project site, information was requested from the Director of the Central District ZHEO, including information on building characteristics, conditions, tenants, rents, and maintenance costs for the site area as well as *pro rata* cost information related to administrative support provided by the ZHEO. Data was provided as it was compiled and meetings were held to clarify and refine the data. The Chief Accountant of the Central District ZHEO was the primary contact for specific data. The Chief Accountant and the Chief Financial Planner of the Housing Department also provided explanations of budget and accounting categories and assistance in understanding the form in which information was provided.

Accurate information on costs was not readily available as accounting is conducted for the entire Central District, not by maintenance unit area.

Another problem in using actual cost history is the systemic disincentive to perform maximum maintenance work. The system rewards employees with bonuses if the ZHEU requires less subsidy than originally budgeted. By admission of the accounting staff, this results in a reduction of maintenance expenses and work, so that higher salary bonuses are earned and paid to employees.



## 6 Appointment of a Working Committee

### Key Contacts:

The Chief and Vice Chief of the Housing Department worked with the RA to appoint members of a working committee. While the RA recommended a committee of five to seven members, a total of 13 were appointed. Politically, the Chief of the Housing Department felt it necessary to appoint high-level city officials, even though there was no expectation of their participation in committee work. Appointments to the working committee included:

- Belykh, Eduard Deputy Chairman of Executive Committee of City Council
- Rublya, Nikolay Chief, Department of Housing and Communal Services
- Glazyrin, Vladimir Head of Architectural and Building Board, Executive Committee of City Council (actually represented at meetings by Marat Kasimov, his deputy)
- \*Vivcharuk, Anatoly Deputy Chairman of Central District Executive Committee
- Poddubny, Gregoriy Chief, Department of Economy and Communal Property
- \*Kirichenko, Alexander Vice Chief, Department of Housing and Communal Services
- \*Baranovskaya, Natalia Acting Director of Housing Department (subordinate to Kirichenko)
- \*Krasilnikov, Nikolay Director, ZHEO (Housing Maintenance Organization) of the Central District
- \*Kuznetsov, Mikhail Director, Privatization Department (Lawyer)
- \*Pashkova, Lina Head, Planning and Economic Department, Housing and Communal Services
- \*Ushkanov, Alexander Head of Development Department, Housing and Communal Services
- \*Kiseleva, Larisa Engineer, Department of Housing and Communal Services (monitor of Central District housing maintenance)
- \*Nepomiashya, Maria Chief Bookkeeper, Department of Housing and Communal Services
- \*Graham, Roberta Resident Advisor

**Timing:** Ongoing

### Description of the Activity:

Regular weekly meetings were scheduled with the working committee and were held through April. During April, the meetings were canceled because of presentations required for the

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\* Indicates regular attendance and participation at working committee meetings.

executive committee, and then were not held during the period property management training occurred. Unfortunately, the working committee involvement was not viewed by the Chief or Vice Chief as integral to training staff and therefore the success of the demonstration. Meetings were frequently cancelled.

During the meetings that were held, the RA described the course the demonstration should take, including decisions which had to be made regarding site selection, budgeting, staffing, maintenance performance improvement, and bidding.

## **7 Public Relations and Marketing**

**Key Contacts:** Chief, Housing Department  
Vice Chief, Housing Department

**Timing:** Periodic Activity Beginning in mid-April lasting through May. This step was greatly affected by political activity within the city, and would have been more effectively used if city officials had allowed earlier use of media.

### **Description of Activity:**

Early PR efforts focused on the employees of the Housing Department, ZHEO, and ZHEUs. A briefing meeting was held with Directors of all ZHEUs in February to introduce them to the demonstration and to inform them that a search for an appropriate site was underway. As was expected, there was great skepticism on the part of many of the directors. Those who were skeptical believed that an adequate infusion of money would allow them to improve all of their maintenance services, with no change to the structure of maintenance and management activities.

After the site was selected, the Housing Department employee responsible for monitoring the central district met with the employees of the selected ZHEU (#32). Several weeks later, the RA and the Vice Chief of the Housing Department met again with the ZHEU employees to inform them of upcoming activity, allay their fears about being laid off, and answer questions.

The RA prepared several short project descriptions to be used by the Chief of the Housing Department in presentations made to the City Executive Committee, newspapers, and a group of Chiefs of Housing Departments from other cities in Ukraine.

The City Council Executive Committee would not allow a press conference announcing the demonstration to be held without formal project approval by the committee. During the April 14 meeting, the decision was not formally adopted, and therefore a press conference which had been scheduled for April 22, including representation by Amy Osborn of USAID, was canceled. No formal press conference to kick off the project was held, but the Chief of the Housing Department assisted the RA in informing the public through radio, newspaper, and TV.

During May, several newspaper interviews were conducted with the RA and sometimes with the Chief of the Housing Department. Each of the newspaper articles was positive while remaining somewhat skeptical.

On the evening of May 13, the Chief of the Housing Department and the RA appeared on a local TV news talk show one evening to discuss the demonstration and appeal for interested bidders. On June 8, another TV interview was held, this one including the Chief and Vice Chief of the Housing Department, PADCO staff from Washington, Kharkiv, and Odessa, and the selected contractor. The second interview provided a description of the demonstration, goals of the demonstration, and a discussion of how a private company will be able to improve maintenance services in Odessa.

During the bidding period in May, flyers were posted at all ZHEUs in the city requested that interested bidders contact the PADCO office or Housing Department officials. A radio interview with the Vice Chief of the Housing Department was held, and several short articles describing the demonstration and requesting calls from interested bidders were published. One paid advertisement was placed during the bidding period. The best response from advertising resulted from the short articles about the project. Three of the seven bidders responded as a result of those articles.

## **8 Preparation of Documents**

**Key Contacts:** Working Committee  
Vice Chief, Housing Department  
Chief, Housing Department  
Lawyer, Housing Department

**Timing:** Work began in mid-March on revising the Novosibirsk documents. Because the Vice Chief was on vacation through mid-April, revisions made by the working committee were re-revised. Final negotiation of documents is being completed after the contractor is selected. The process will continue until final City Executive Committee approval prior to project implementation.

### **Description of Activity:**

Documents required in the demonstration included an Invitation for Bids, Management Agreement (Contract), Management Plan, and Personnel Policy. Documents from Novosibirsk had been provided to Odessa City officials in November 1993. They were generally satisfied with these documents and so they were used as the basis for the Odessa documents. Sample documents were provided to the working committee in mid-March, and changes were made based on comments received from the working committee.

The Vice Chief of the Housing Department was on vacation from March 5 through April 7. After his return, he reviewed the documents and several meetings were held to discuss additional changes. The first revised draft was submitted to the City Council Executive Committee at their April 14 meeting and thereafter additional changes were made during meetings with the Vice Chief in late April and early May.

After the contractor was selected, the documents were again reviewed, and changes are being negotiated at this time. Final documents will be agreed to by PADCO, the Housing Department, and the contractor prior to submission to the City Council Executive Committee for final approval.

## **9 Training**

**Key Contacts:** Vice Chief, Housing Department  
Acting Director, Housing Management

**Timing:** Two weeks preparation and two weeks of training

### **Description of Activity:**

One goal of the demonstration is to teach local housing staff how to operate private property management activity. Two weeks of half-day training seminars were held for interested housing department personnel and potential bidders. Participants were given reading to do in advance of the class, and classroom activity consisted of review of the training materials and group discussion and exercises practicing the principles discussed in the advance reading. Training was conducted by Veda Watts of Quadel Consulting Corporation.

Class was attended by an average of 18 persons. Three potential bidders were in the class, one of whom was the second ranked bidder. Three participants from the oblast Housing Department attended training as well. Participants were interested and participated in lively discussion. Unfortunately, as with the working committee, higher-level staff did not see the training as terribly important and therefore did not attend. The only higher-level person in attendance was the Vice Chief of the Housing Department, and then only for three of the eight sessions. The winning bidder did not attend the training, but was given all reading materials after being selected as the contractor.

Training included the following modules:

- Introduction to Private Business
- Introduction to Real Estate Management
- Maintenance Management: Planning and Budgeting
- Maintenance Work Assignments
- Procurement and Inventory

- Financial Management
- Planning and Executing Property Management Tasks
- Planning, Cost Estimating, and Bidding

## **10 Bidding**

**Key Contacts:** Chief, Housing Department  
Vice Chief, Housing Department  
Media  
Follow-up with Potential Bidders

**Timing:** Two weeks - last two weeks of May

### **Description of the Activity:**

As a result of the newspaper articles, several calls were received from interested parties. The Vice Chief, Housing Department did not originally take these interested individuals seriously, but when pressed about finding interested bidders, he referred them to the RA. Other interested bidders were informed about the demonstration by flyers placed in ZHEU offices and by word of mouth from Housing Department employees. As interested bidders were referred to the RA, meetings were scheduled with each to describe the project, answer questions, and provide the invitation to bid, application form, management agreement, and management plan.

A draft financial plan was provided to potential bidders to show income and expenses, based on prior quarter expenses and projected income. After receiving the draft financial plan, one of the potential bidders decided not to bid.

The meetings held with potential bidders were intended to maintain their interest, reduce their fear, and encourage them to bid on the project. Grave concerns were expressed throughout the start-up of the demonstration about the feasibility of the demonstration and so the RA determined that, at the request of potential bidders, they should be able to ask questions and discuss property management issues, bidding, and risks. These meetings were held without any city employees present, so that no influence on the selection committee members would result from this pre-bid contact. Several bidders met with the RA three and four times over the course of 10 days to discuss project expectations, payment of management fees, control over expenses, and how to describe their qualifications on the application form. The RA continued to call those potential bidders who did not request meetings to assure assistance if necessary and to encourage them to bid.

A pre-bid conference was scheduled for May 27, but no one attended. There were no questions regarding the conditions of the site itself, and the meetings regarding management expectations with the RA apparently satisfied all questions of potential bidders.

Written bids were due June 2 at 5:00 PM and were to be delivered to the RA. This assured proper submission and receipt of all bids.

Two bidders expressed interest on the last day of allowed receipt of written bids. One was referred by the Mayor of the Central District. After a lengthy telephone conversation, this man (owner of a company selling computers) decided that the work requested was too extensive for the potential fees and did not bid. A second bidder had been informed about the project several weeks earlier by acquaintances at the Central District ZHEO, but continued to “think about” bidding. He decided to bid, and, on the last day, spent approximately one hour with the RA discussing the project and the bid application form. This last bidder had the most extensive qualifications of all potential bidders, and was ultimately selected as the contractor.

References were reviewed and interviews were scheduled with all bidders the day after bid applications were received. The RA recommended interviewing only the top three candidates based on written applications, but the committee decided to interview all seven bidders.

The RA prepared a bid evaluation form to assist committee members in asking questions and assigning numerical scores to each bidder based on the interview. The committee conducting the interviews was a subset of the working committee. It included:

- Chief, Department of Housing
- Vice Chief, Department of Housing
- Head Accountant, Department of Housing
- Head Financial Planner, Department of Housing
- Deputy Chief, Central District Executive Committee
- Director, Central District ZHEO
- Director, Office of Privatization

The RA sat in on all interviews, and requested that the committee allow all bidders an equal chance to describe their experience, qualifications, and plans. In general, the committee posed excellent questions to all bidders. Each committee member completed a bid evaluation form for each bidder. The RA tabulated the scores. The selected contractor's scores were significantly higher than all others. His experience included two key areas — financial planning and maintenance. He was the only bidder with extensive experience in both areas. Two of the other bidders, however, had good scores and their potential as good contractors was discussed by the committee after the interviews.

While greatly surprised by the level of interest in the project and the qualifications of several bidders, the committee believed after the bid process that there are good potential bidders within Odessa to operate additional demonstration programs. The second and third ranked bidders were sent letters by the Chief of the Housing Department, requesting that they retain interest in the program and bid on any future projects.

## **11 Negotiations with the Contractor**

**Key Contacts:** Vice Chief, Housing Department  
Contractor - President of Renaissance '92  
Lawyer, Housing Department

**Timing:** June 6 - June 15 — negotiations were not complete on June 15.

### **Description of the Activity:**

Initially, the contractor needed additional information on the structure of the demonstration project and expectations of his firm. After several introductory meetings, the contractor, Vice Chief of the Housing Department, and RAs began to discuss the contract in detail and make additional changes. PADCO Resident Advisors were either present at the negotiation meetings or requested updates later. The negotiations were proceeding well, with changes recommended generally good. Several decisions made by the Housing Department allowed the contractor freer reign than the Resident Advisor believed desirable, but the Housing Department was not to be convinced otherwise. Negotiations continued after June 15.

# MANAGEMENT AGREEMENT

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This Agreement is made this \_\_\_\_\_ day of \_\_\_\_\_ 199\_\_, between the Odessa Board of Housing and Communal Services (the Board) and \_\_\_\_\_ (the Company) under the terms and conditions set forth in this Agreement.

1. **Appointment and Acceptance.** The Board appoints the Company as exclusive agent for the management and maintenance of the site described in Section 2 of this Agreement and the Company accepts the appointment, subject to the terms and conditions set forth in this Agreement.
2. **Site Description.** The housing site to be managed and maintained by the Company under this Agreement (the Site) consists of 84 buildings, the territory, and other permanent structures located in the Central District, Odessa (a list of building addresses is attached to and a part of this Agreement).
3. **Definitions.** As used in this Agreement:
  - a. "Principal Parties" means the Board and the Company.
4. **Management Plan.** The Management Plan attached and incorporated herein provides a comprehensive and detailed description of the policies and procedures to be followed in the management of the Site. In many of its provisions, this Agreement briefly defines the nature of the Company's obligations, with the intention that reference be made to the Management Plan for more detailed policies and procedures. Accordingly, the Board and the Company will comply with all applicable provisions of the Management Plan, regardless of whether specific reference is made thereto in any particular provision of this Agreement. The Board will provide the Company a copy of the Management Plan.
5. **Basic Information.** If it is necessary to have Passports for each building, the city will provide funding to the contractor to hire someone to develop these passports. With the aid of this information and inspection by competent personnel, the Company will thoroughly familiarize itself with the character, location, construction, layout, plan, and operation of the Site, and especially of the heating, plumbing, electrical, and ventilating systems and all other mechanical equipment.
6. **Collection of Rent and Other Receipts.** The Company will collect, when due, all established commercial and residential rents, charges, and other amounts receivable on the Board's account in connection with the management and operation of the Site. (Note: These amounts are established as of the date of this Agreement and any changes to the amounts to be collected will occur only with Board approval). Such receipts will be deposited in a bank in an account separate from all other accounts and funds. This account will be carried in the Company's name and designated of record as "Board Operating Account."



7. **Leasing.** Allocation of non-living (commercial space will be made by the City). Once tenants are selected and move into the space, the company will be responsible to collect rent and enforce the lease agreement. The rent from such commercial space will be available to the company to use in performing maintenance work. The distribution of apartments will continue to be allocated by the District executive committee, including allocation of apartments for employees of the ZHEU.
8. **Subsidy.** The City will pay directly to the company operating account the amount of rent reliefs provided to residential tenants. These payments will be due not later than \_\_\_\_\_.
9. **Enforcement of Agreements.** The Company will secure full compliance by each commercial lessee with the terms of his or her Agreement. Voluntary compliance will be emphasized. In the event a lessee's Agreement must be terminated, the Company is authorized to consult with legal counsel to bring eviction or other actions, provided, however, that the Company will keep the Board informed of such actions and will follow such instructions as the Board may prescribe for the conduct of any such action. Subject to the Board's approval, attorney's fees and other necessary costs incurred in connection with such actions will be paid out of the Operating account as Site expenses. Attorneys fees paid by the company in connection with illegal activities of the company, unrelated to owner business, may not be paid from the operating account and must be paid with the management company's own funds.
10. **Maintenance and Repairs.** The Company will cause the Site to be maintained and repaired in accordance with the Management Plan and local law, and in a condition at all times acceptable to the Board, including but not limited to cleaning, painting, plumbing, carpentry, grounds care, and such other maintenance and repair work as may be necessary, subject to any limitations imposed by the Board addition to those contained herein. Incident thereto, the following provisions will apply:
  - a. Special attention will be given to preventive maintenance, and to the greatest extent feasible, the services of regular maintenance employees will be used.
  - b. Subject to the Board's prior approval, and when necessary, the Company will contract with qualified independent contractors for the maintenance and repair of heating and mechanical systems and for extraordinary repairs beyond the capability of regular maintenance employees.
  - c. The Company will systematically and promptly receive and investigate all service requests from tenants, take such action thereon as may be justified, and will keep records of same. Emergency requests will be received and serviced according to established norms, but in no case will emergency requests take more than 24 hours to service. Complaints of a serious nature will be reported to the Board after investigation.

- d. The Company is authorized to purchase all materials, equipment, tools, appliances, supplies, and services necessary to proper maintenance and repair. Such purchases will be paid for out of the Operating Account as Site expenses.
  - e. Notwithstanding any of the foregoing provisions, the prior approval of the Board will be required for any expenditure which exceeds \_\_\_\_\_ Krb in any one instance for labor, materials, or otherwise in connection with the maintenance and repair of the Site, except for recurring expenses (such as wages) within the limits of the operating budget or for emergency repairs involving danger to persons or property, or required to avoid suspension of any necessary service to the site. In the latter event, the Company will inform the Board of the facts as promptly as possible.
11. **Utilities and Service.** In accordance with the Management Plan and Operating Budget, the Company will assure adequate supplies of heat, hot and cold water, gas, electricity, sewer, trash disposal, vermin extermination, and office telephone services. Subject to the Committee's prior approval, the Company will make such contracts as may be necessary to secure such utilities and services.
12. **Employees.** The Management Plan prescribes the number and type of personnel regularly employed in the management of the Site. All such personnel will be employees of the Company and not the Board, and will be hired, paid, supervised, and discharged if necessary by the Company, subject to the following conditions:
- a. Wages, social security, and pension fund contributions payable to or on behalf of administrative and maintenance employees, as prescribed in the Management Plan, and all required employee taxes payable on behalf of such employees will be paid out of the Operating Account and will be treated as Site expenses.
  - b. The Company will, in such hiring and other personnel transactions, follow all laws and regulations applicable to the Board. The company will receive approval from the Board prior to hiring or firing any administrative staff. Maintenance staff may be hired or fired without prior approval, but such information will be reported to the Board.
13. **Disbursements from Operating Account.**
- a. From the funds collected and deposited by the Company in the Operating Account pursuant to Section 6 above, the Company will make the following disbursements promptly when payable:
    - i. Wages payable to the employees referenced in Subsection 12.a. above and for the taxes and other amounts required by law in connection with the employment of such personnel.

- ii. All sums otherwise due and payable by the Board as expenses of the Site authorized to be incurred by the Company under the terms of this Agreement, including compensation payable to the Company, pursuant to Section 20 below, for its services hereunder.
  - b. Except for the disbursements mentioned in Section 13.a above, funds will be disbursed or transferred from the Operating Account only as the Committee may from time to time direct in writing.
  - c. In the event that the balance in the Operating Account is at any time insufficient to pay disbursements due and payable under Subsection 13.a above, the Company will inform the Board within one (1) working day of the fact. The Board will then arrange to remit to the Company sufficient funds to cover the deficiency. In no event will the Company be required to use its own funds to pay such disbursements.
14. **Budgets.** An annual operating budget for the Site has been approved by the Board. Except as permitted under Section 11 above, annual disbursements for each type of operating expense itemized in the budget will not exceed the amount authorized by the approved budget. The Company will prepare a recommended operating budget for each fiscal year during the term of this agreement and ending \_\_\_\_\_ and will submit the same to the Board at least ninety (90) days before the beginning of the fiscal year. The Committee will promptly inform the Company of changes, if any, incorporated in the approved budget, and the Company will keep the Committee informed of any anticipated deviation from the receipts or disbursements stated in the approved budget.
15. **Records and Reports.** In addition to any requirements stated in the Management Plan or in other provisions of this Agreement, the Company will have the following responsibilities with respect to records and reports:
- a. The Company will maintain a comprehensive system of records, books, and accounts in a manner satisfactory to the Board and the Company. All records, books, and accounts will be subject to examination at reasonable hours by any authorized representative of the Board.
  - b. With respect to any fiscal year ending during the term of this Agreement, the Company will cause an annual financial report to be prepared by an auditor or Accountant who is not an employee of or otherwise related to the Company and who is acceptable to the Board, based upon the preparer's examination of the books and records of the Board and the Company. The report will be submitted to the Board within forty-five (45) days after the end of the fiscal year. Compensation for the preparer's services will be paid out of the Operating Account as an expense of the Site.

- c. The Company will prepare a monthly report comparing actual and budgeted figures for receipts and disbursements, and will submit each such report to the Board within fifteen (15) days after the end of the month covered.
  - d. The Company will furnish such information as may be requested by the Board from time to time with respect to the financial, physical, or operating condition of the Site.
  - e. By the fifteenth (15th) day of each month, the Company will furnish the Board, if so requested, with an itemized list of all delinquent rental and utilities accounts, as of the 10th day of the same month.
  - f. By the fifteenth (15th) day of each month the Company will furnish the Board with a statement of receipts and disbursements during the previous month, and with a schedule of accounts receivable and payable, and reconciled bank statements for the Operating account as of the end of the previous month.
16. **Bids and Purchases.** The Board and Company agree to obtain materials, supplies, and services at the lowest possible cost and on the terms most advantageous to the Site. The Company shall solicit written cost estimates (i.e., bids) from at least three (3) contractors or suppliers for any work item which the Board or Company estimates will cost \_\_\_\_\_ Krb or more and for any ongoing supply or service arrangement which is estimated to exceed \_\_\_\_\_ Krb per year. The Company agrees to accept the bid which represents the lowest price taking into consideration bidder's reputation for quality of workmanship or materials and timely performance, and the timeframe within which the service or goods are needed. For any contract or ongoing supply or service arrangement obtainable from more than one source and estimated to cost less than \_\_\_\_\_ Krb, the Company shall solicit verbal or written cost estimates as necessary to assure that the Site is obtaining services and supplies at the lowest possible cost. The Company must make a written record of any verbal estimate obtained. Copies of all required bids and documentation of all other written or verbal cost comparisons made by the Company shall be made part of the Site's records. This documentation shall be subject to inspection by the Committee and the Company agrees to submit such documentation upon request.
17. **Resident — Management Relations.** As described further in the Management Plan, the Company will encourage and assist residents of the Site in forming and maintaining representative organizations to promote their common interest, and will maintain good-faith communication with such organizations to the end that problems affecting the Site and its residents may be avoided or solved on the basis of mutual self-interest.
18. **Compliance with Laws.** The Company will take such actions as may be necessary to comply promptly with all governmental laws, regulations, or other requirements affecting the Site subject, however, to the limitation stated in Subsection 10.e with respect to repairs. Nevertheless, the Company shall take no such action so long as the Board is contesting, or has affirmed its intention to contest, any such order or requirement. The Company will

notify the Board in writing of all notices of such orders or other requirements within twenty-four (24) hours from the time of their receipt.

19. **Company's Compensation (Management Fee).**

- a. The Company will be compensated for its services under this Agreement by monthly fees, to be paid out of the Operating Account and treated as Site expenses. Such fees will be payable on the tenth (10th) day of each month during the term of this Agreement. Each such monthly fee will be in the amount equal to \_\_\_\_\_.
- b. The Company may earn an incentive fee in the amount of fifty percent (50%) of any reduction in expenses as compared to budgeted expenses which results from Company actions such as: savings resulting from contracts negotiated at a price less than budgeted, reorganization of staff to increase productivity thus requiring reduced use of budgeted temporary staff, development of cost-effective procedures which reduce the amount of staff time and/or materials necessary to complete required work (e.g., simplified accounting systems, programs to reduce the amount of work required to remove trash such as promoting the use of plastic bags by staff and residents to simplify trash pickup and reduce the amount of garbage or other litter at the Site, etc.) The Board will carefully evaluate the quality of the maintenance organization's work before awarding the Company this incentive fee. The Board will not regard the Company as having reduced costs if this results in a reduced quality of work. Such fees will be payable at six-month intervals within ten (10) days of the Company's submission of a request to the Board for such payment. Incentive fees will be paid out of the Operating Account and treated as Site expenses.

20. **Terms of Agreement.** This Agreement shall be in effect for a period of one (1) year beginning on the \_\_\_\_\_ day of \_\_\_\_\_, 199\_\_, and thereafter for a period from year to year, subject however, to the following conditions:

- a. The Board and Company mutually agree to negotiate any agreements or claims which may arise during the Term of this Agreement.
- b. Should settlement as to disagreements or claims not be possible by negotiations, this Agreement may be terminated by the consent of either Principal Parties as of the end of any calendar month, provided that at least sixty (60) days advance written notice is given.
- c. Upon termination, the Company will submit to the Board financial statements and after the Principal Parties have accounted for each other with respect to all matters outstanding as of the date of termination, the Board will furnish the Company an amount satisfactory to the Company against any obligations or liabilities which the Company may properly have incurred on behalf of the Board hereunder.

21. **Interpretive Provisions.** This Agreement and the Attachments referenced herein constitute the entire Agreement between the Board and the Company with respect to the management and operation of the Site, and no change will be valid unless made by supplemental written agreement and executed.
22. **Identity of Interest.** There is no identity-of-interest between the Company and the Board.
23. **Notices.** All notices, statements, requests, and demands given to or made upon any party hereto in accordance with the provisions of this Agreement shall be deemed to have been given or made four (4) business days after such writing shall have been deposited in the mail, postage prepaid.
24. **Indemnification.** Company shall save Board harmless and indemnify it from and against all injury, loss, claim, or damage to any person or belongings while on the Site arising out of use or occupancy of the Site and from and against all injury, loss, claim, or damage to any person or belongings (any where occasioned by any act, neglect, or default) on the Site resulting solely from the negligence of Company.

**In witness whereof,** the Principal Parties have executed this Agreement on the date first written above.

Witness:

\_\_\_\_\_

Board: \_\_\_\_\_

By: \_\_\_\_\_

Title: \_\_\_\_\_

Witness:

\_\_\_\_\_

Company: \_\_\_\_\_

By: \_\_\_\_\_

Title: \_\_\_\_\_

# MANAGEMENT PLAN

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## 1 Introduction

This Management Plan sets forth the principles and practices which will govern the management of the Site. The Odessa Board of Housing and Communal Services (the Board) and \_\_\_\_\_ (the Company) recognize the critical role they both play in establishing and maintaining an effective property management program.

Following are the key management performance standards which the Board has established for the Site, and which the Company shall achieve:

1. The Site will be adequately staffed with personnel and job descriptions for each position will be in effect.
2. Staff will be effectively supervised and their performance will be evaluated no less often than quarterly.
3. The commitment to fair and equitable treatment of tenants shall be evident in daily operations, and the Company shall enjoy pleasant and business-like relationships with tenants and tenant groups.
4. All necessary policies and operating procedures shall be documented in writing and shall be enforced.
5. The property will be clean, attractive, and well maintained, and all requirements of local housing regulations will be met.
6. A comprehensive preventive maintenance and inspection program will be established and adhered to.
7. In any month, delinquent commercial and residential accounts shall not exceed 10 percent of current rent and other charges shall be the goal of the Company.
8. The safety and security of tenants and staff will be a management priority.
9. The purchasing and inventory system designed for the Site will minimize waste and mismanagement.
10. Accounts payable will be processed and paid as soon as possible but at least within 30 days of receipt.
11. Actual annual expenses in each operating category shall not exceed budgeted levels unless beyond the control of the Company and approved by the Board.

12. All project accounting tasks will be performed in a timely and professional manner.
13. The Company will provide timely management and financial reports as required by the Board.

## **2 Site Description**

The Site consists of 1,695 apartments in 84 buildings located in the Central District of Odessa. The neighborhood land uses are mixed and include commercial and institutional facilities and multi-family housing.

## **3 Board and Company Roles and Responsibilities**

The Site is municipal housing operated by the Board. The Vice Chief of the Board and a working committee appointed by the Executive Committee of the City Council are responsible for monitoring the Company's activities.

The Company will be represented by \_\_\_\_\_. The daily operations are run by the Company's full-time Project Manager.

Following is a description of the specific responsibilities of the Board and the Company and the roles of key personnel.

### **3.1 The Board**

The Board's specific duties are to:

- select a Company, execute a Management Agreement with the Company, and oversee the Company's performance;
- review and approve the Management Plan, personnel policy, and any other policy documents governing site operations;
- approve all personnel actions affecting Site administrative employees (the company has the authority to hire and fire maintenance employees);
- approve all personnel actions related to increasing salaries or adding or removing positions from the planned payroll;
- secure the professional services of attorneys, accountants, and others as the need arises; legal activity paid for from the Operating Account is only that legal activity relevant to activities carried out by the company in accordance with the directions of the owner or within the laws and regulations;
- assume full responsibility for taking appropriate actions in the event that the Board or Company is named in a lawsuit (so long as the lawsuit is not brought against the company for actions unrelated to this contract);



- approve expenditures and contracts as required by procurement policies;
- review and approve annual operating budgets and financial statements prepared by the Company;
- develop and require the Company to implement monthly management reports, and to review and respond to reports submitted;
- review and respond to any findings resulting from any reviews or audits conducted by any regulatory entity; and
- meet at least quarterly, and more often as necessary, to conduct Site business.

### **3.2 The Company**

The Company will perform all the traditional management duties as outlined in its Agreement with the Board, including:

- site staff supervision;
- preparation of all policies and procedures for Board approval;
- responding to requests and complaints of residents and maintaining positive management-tenant relations;
- supervising the daily maintenance and inspection of the Site; hiring and firing of maintenance personnel;
- initiation of all actions to enforce leases;
- processing of all accounts receivable and payable;
- purchasing all goods and services in accordance with policies;
- preparation of annual operating budgets; and
- preparation and submission of all reports to the Board and regulatory agencies as required, and complying with the requirements of these agencies.

\_\_\_\_\_, the Project Manager, is an employee of \_\_\_\_\_, the Company (salary is paid from the Company's earned Management Fee), and is responsible for supervising all management activities at the Site. All other personnel connected with management and maintenance of the Site are paid from the Board's Operating Budget (see Section IV below).

## **4 Staffing Plan**

Job Title   Proposed Salary

TO BE INSERTED LATER

Fringe benefits will be consistent with government practice in Odessa.

Job descriptions for each position are contained in the Personnel Policy attached.

The salaries and benefits for all the above positions will be a Site expense. The Project Manager will directly supervise the Director. The Director will in turn supervise the Accountant and the Chief Engineer, with the latter in charge of the Maintenance Staff.

The Company has the authority to routinely assign work, evaluate performance, and discipline employees. Actions to hire, terminate, and promote employees require the advance approval of the Board.

Both the Board and the Company are committed to providing equal employment opportunities to all qualified individuals with respect to hiring, transferring, promoting, and compensating employees.

## **5 Rent Collection**

Rent payments directly contribute to the resources available to provide maintenance services to residents. The utility companies also must be paid all amounts due from residents whether or not these amounts have been collected; therefore, any time the full amount of utilities is not collected from residents, the Board must use its funds to pay the amount due, thus reducing the amount of funds available for maintenance services. It is a critical responsibility of the Company to assure that all amounts due are collected from leaseholders and residents on a timely basis.

The following actions will be taken regarding rent and utilities payments and collections:

1. Rent and utility payments are due and payable on the first of each month.
2. Residents are encouraged to discuss any difficulties they may have in paying amounts due on a timely basis with the Director and to make arrangements with the Director for a reasonable payment plan under which all amounts due will be paid in partial payments on a regular schedule in order to avoid or eliminate a delinquent account.
3. On the fifteenth (15th) day of the month, any resident who has not made full payment for that month or entered into a payment plan with the Director, will be given a reminder notice in their mail box regarding the delinquency.
4. On the last day of the month, residents who have still not made payment in full for that month or entered into a payment plan with the Director, will have a delinquency notice posted on their door as a reminder.
5. On the tenth (10th) day of the following month, if the resident is still delinquent or has not entered into a payment plan with the Director, a late fee of \_\_\_\_\_ will be assessed. Additional late fees will accrue on the tenth (10th) of each month thereafter as long as the resident remains delinquent and/or fails to enter into and abide by a payment plan.
6. Any resident who has entered into a payment plan with the Director must meet the terms of that payment plan. Late fees will be assessed consistent with Item 5 above if the resident fails to meet the terms of the payment plan.

## 6 Maintenance

The Site maintenance program will include the following basic elements:

- the use of skilled staff and contractors;
- sound planning and budgeting for maintenance services;
- development and implementation of policies and procedures governing the maintenance program;
- a program of regular and thorough inspections of all areas of the Site;
- regular attention to building common areas and grounds;
- prompt completion of work orders; and
- an effective preventive maintenance program.

Specific maintenance plans are described below:

**Interior Common Area Maintenance**— The maintenance of interior common areas is performed by on-site maintenance staff. These areas include: building stairwells and hallways, basement storage areas, and mechanical rooms. Heavy tenant and visitor traffic in these areas requires that they be checked and cleaned daily, and that any repair needs noted be taken care of promptly.

**Grounds** — The “curb appeal” of the Site is essential to the success of the Company's maintenance program. A landscaping program will be developed and implemented by the Company to improve the attractiveness of the Site. The maintenance staff will be responsible for the routine care of the grounds, which includes plant trimming, grass cutting, sweeping of all paved areas, litter pick-up, and snow and ice removal. Permanent Maintenance staff will be supplemented by temporary staff on a seasonal basis.

**Trash Removal** — Dumpsters have been placed in several locations on the site for tenant trash disposal. The dumpsters are emptied by a contractor. The maintenance staff are responsible for keeping the areas around the dumpsters clean and free of debris, and to ensure that the dumpsters are covered. The Company will develop a program, including negotiating with competitive trash companies, to improve the quality of trash pickup service to eliminate visible garbage at the Site.

**Extermination** — The Company will contract with a qualified exterminator to treat common areas for insect and rodent infestation.

**Work Orders** — Residents must promptly report repair needs by initiating a Work Order either in person or by telephone. Management or maintenance personnel may also initiate a Work Order when repair needs are identified during routine inspections. Routine requests must be made during regular business hours. Emergency requests must be made immediately;

residents are instructed to contact \_\_\_\_\_ during non-business hours. Only *bona fide* emergencies should be called in after hours. These are:

- no electricity in unit;
- gas leak;
- serious water leak causing unit damage;
- no heat (seasonal);
- sewer backup; and
- other situations which threaten the health and safety of residents or the integrity of the property.

Emergency work orders will be completed as soon as possible, and at least within 24 hours. Routine requests will be completed within five business days in chronological order.

If the Director determines that Site maintenance personnel cannot perform the required repair, or the repair need is covered under a warranty, he/she will request approval from the Project Manager to hire a contractor.

Preventive Maintenance — A preventive maintenance program will be instituted at the Site. The program will focus on items which, if they fail, can cause severe threats or inconveniences to tenants, or significant operating or repair costs or property damage. These critical items include:

- preparation for summer and winter seasons;
- heat and hot water system;
- downspouts and gutters;
- catch basins and storm water lines;
- positive water drainage away from all structures;
- common area window and door caulking and weather stripping;
- inspecting electrical systems;
- forecasting the collapse of buildings built on top of catacombs which are breaking down; and
- inspecting and cleaning gas lines and chimneys.

Preventive maintenance work will be performed by site staff to the extent possible.

## **7 Property Inspections**

Interior and exterior common areas will be inspected by the Director and Chief Engineer based upon inspection schedules established by the Project Manager and minimum standards established for the Site by the Committee. The inspection program is designed to:

- reduce maintenance costs by identifying repair needs before they become acute;
- serve as a preventive measure in the areas of maintenance, security, and lease enforcement; and
- improve the attractiveness of the property.

Grounds Inspections: All exterior areas will be inspected twice daily.

Common Area Inspections: All common spaces, hallways, corridors, entryways, and stairwells accessible to tenants are inspected twice daily. Other interior areas, such as storage rooms, utility areas etc., are inspected weekly.

## **8 Tenant Services and Relationships**

The Company will work positively with tenants to encourage a tenant-landlord alliance for the betterment of the community. The following activities will be used to achieve this goal:

- An open line of communication with tenants is an important management tool. The daily presence of on-site staff and supervisory staff fosters positive communication. The Company will initiate regular tenant newsletters at the Site which will combine good news with instructions and management notices.
- The Company will assist tenants in forming a Resident Association. This organization will be invited to provide input on site security, tenant services, and other management improvements. The Association will be asked to establish a system of building captains to assist both the Company and tenants.
- A series of recreational events will be organized to bring the residents together, build tenant confidence in Company, and create a stronger sense of community. These may include New Year's parties and other activities for resident children and adults.
- The Company will initiate other programs of interest to tenants as needs and opportunities present themselves.

## **9 Purchasing and Inventory**

Income will be maximized at the Site through a policy of purchasing quality goods and services at competitive prices, and buying in volume when possible. Vendors are selected for major purchases through a solicitation of verbal or written bids by the Purchasing Agent. No purchases may be made without a purchase order signed and approved by the Project Manager.

Primary responsibility for project expenditures lies with the Project Manager who will continually monitor the Site's operating budget to assure that all purchases are within approved spending levels by budget line item. The Project Manager has full authority to approve purchase orders except under the following circumstances which require the advance approval of the Owner (Board of Housing and Communal Services):

- the proposed expenditure is not within the budget;
- the item constitutes a “new service” to the project; or
- the item is considered a capital expenditure.

Payment for goods and services purchased are also subject to controls. The following steps are taken in processing accounts payable:

1. Upon receipt of any invoice or bill, the Project Manager promptly matches the bill with the corresponding approved purchase order, confirms receipt of the good or service, and reviews the two documents for accuracy. If the bill is in order, it is initialed approving payment and forwarded to the Accountant with the purchase order attached.
2. Twice per month, on about the 15th and 30th, the Accountant reviews the bills against the budget, determines the payment date based upon a pre-established payment schedule, and arranges for invoices to be entered into the proper ledger by account number.
3. The Accountant determines the proper amount for payment of all invoices to be paid by bank account transfer, and the amount of cash required for payment of salaries. If full payment cannot be made due to insufficient funds, the Project Manager is consulted and an agreement is reached on payment. Receipt is prepared for each payment as follows:
  - ▶ one copy will be retained by the Accountant and attached to the bill and purchase order;
  - ▶ a second copy will be provided to the vendor; and
  - ▶ the third copy will be retained in the cash payments/accounts transfer record book.
4. All receipts, with documentation attached, are forwarded promptly to the Project Manager, who reviews the documents and initials all approved payments.
5. The Board reviews the cash payments/accounts transfer record book monthly.

Generally, supplies and materials are purchased for use during subsequent 30-day periods, unless the advantages of volume purchasing dictate otherwise. By limiting inventory, the need for storage space is reduced and potential losses due to theft are minimized. All site supplies are kept in secured storage areas. The only site personnel who have access to these areas are the Director, the Chief Engineer, and the Purchasing Agent.

The Project Manager routinely checks storage areas to make certain they are neatly kept and are secure.

At least once each year, the Project Manager conducts an unannounced formal inventory of stock.

## **10 Financial Management**

Accounting, cash management, and data processing duties for the Site are the responsibility of the Project Manager with the assistance of the Director and site staff.

Financial management duties include:

- maintaining and managing bank accounts for operating funds;
- accepting and depositing all tenant rents collected by staff and keeping accurate records on all tenant accounts;
- accepting an approved annual operating budget from the Owner, and monitoring expenditures in accordance with the budget;
- analyzing sources and uses of income and projecting cash flow needs at least 45 days in advance;
- establishing a schedule of accounts payable at least 45 days in advance and processing all payables according to established procedures;
- administering all payroll and employee benefits;
- maintaining a comprehensive set of accounting records acceptable to the Owner and regulatory agencies; and
- preparing and distributing financial reports to the Board by the 15th of each month for the preceding month.

The Project Manager is responsible for preparing an annual operating budget for the Site and submitting it to the Board for review and approval no later than 90 days prior to the beginning of a new fiscal year. The Board must approve the budget no later than 30 days prior to the beginning of a new fiscal year.

**BID PACKAGE**

**ODESSA BOARD OF HOUSING AND COMMUNAL SERVICES  
INVITATION FOR BIDS  
TO MANAGE/MAINTAIN 84 MUNICIPAL HOUSING BUILDINGS**

**Bid Submission Date: June 2, 1994**



## INVITATION FOR BIDS

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This invitation requests bids from qualified individuals, groups, and companies for a one-year contract with the Odessa Board of Housing and Communal Services to provide management and maintenance services to 84 municipal housing buildings located in the Central District, Odessa. (A list of building addresses with a brief profile of the buildings is attached.) All bidders are advised to carefully read the contents of this bid package before preparing a bid. Seminars on management techniques and preparing bids which will enhance the success of the contract will be offered to interested parties during the two weeks beginning May 10. The seminars will be conducted at \_\_\_\_\_. The seminars will be followed by an organized tour of the site on May 27. Prospective bidders should call to find confirm the time and meeting place for the tour.

The tour will provide bidders an opportunity to become familiar with the site, proposed work areas, and current site conditions. Bidders are requested to call Oksana Zinevych at 22-50-86 no later than May 5 if they plan to attend the seminar.

### BACKGROUND

This contract will be awarded under the Private Property Management Company Demonstration Project being conducted jointly by the Odessa Board of Housing and Communal Services (OBHCS) and the U.S. Agency for International Development (USAID). The purpose of this project is to stimulate the development of a private property management company industry in Odessa which will provide competitive management/maintenance services. In addition to work in maintenance/management services provided to OBHCS, the private property management company selected to do this work may also provide services to other organizations through other contracts. Also, the project will demonstrate that private property management companies, operating in a competitive environment, can reduce the cost of and/or improve the quality of maintenance services. It is anticipated that this will be the first of a number of contracts to be awarded.

A private property management company may be an individual, a partnership of two or more individuals, a company, or a division of a company. The private property management company serves as the agent of the owner (in this case the OBHCS) of a property and is responsible for the day-to-day management and maintenance of the owner's property. For this service, the owner pays a management fee to the property management company. The management fee should equal the cost of property management company staff responsible for the owner's property, the share of the company's overhead costs related to managing the owner's property, and a reasonable profit.

Any individual, group of individuals, or company which possesses demonstrated experience in managing large organizations (50 or more employees), in planning for and completing

maintenance repairs, and in developing and maintaining financial and other recordkeeping and reporting systems is qualified to participate in the bidding.

### **DESCRIPTION OF REQUIRED WORK**

The attachments included in this bid package provide detailed information as to work requirements under this contract. In general, the successful bidder will be required to:

- supervise the day-to-day operations, including existing staff, at the site to ensure that all of the OBHCS's operational requirements are met and to inform the OBHCS when specific problems arise.
- follow the budget and management plan established for the site. The management plan sets forth the principles and practices which will govern the management of the site. It requires that the management company supervise and hire staff and maintain the property to high standards.
- maintain accurate records of the day-to-day operations at the site, including collecting and accounting for all rent and other income.
- prepare all reports required by the OBHCS and other government agencies on a timely basis.
- plan for and supervise maintenance of the buildings at the site and report any deficiencies to the OBHCS.
- hire, retain, and discharge employees of the site, with the agreement of the OBHCS.

### **DESCRIPTION OF THE BID PROCESS**

1. All bids must be prepared using the Required Bid Form included in this Bid Package. The Form must be completed in full. Bids which are incomplete, illegible, or submitted after the established submission date and time will not be considered.

2. All bids must be submitted no later than 5:00 p.m., June 2, 1994 to:

PADCO Resident Advisor - Roberta Graham  
Odessa Board of Housing and Communal Services  
Ulitsa Rosi Luxemburg, 25  
Odessa, 270001  
Ukraine

3. The Committee will review and evaluate all bids according to the following criteria (see Required Bid Form, Items 2, 3, 4, and 5) and point system:

- |   |             |
|---|-------------|
| a. Qualifications of Company            | 1-10 points |
| b. Qualifications of Company Founders   | 1-20 points |
| c. Qualifications of Proposed Key Staff | 1-30 points |
| d. Price                                | 1-10 points |
| e. Interview Results                    | 1-30 points |

Maximum Points: 100

4. Once points have been assigned to each bid, the bids will be ranked with the bid receiving the highest amount of points ranking first, the bid with the next highest amount points ranking second, and so on.
5. Those bidders whose bids rank first, second, and third will be invited to be interviewed by the Chief of Board and his designees to review the bidders qualifications and plans for the work.
6. Based on the results of the interviews, a contractor will be selected and notified of contract award no later than June 10, 1994.
7. The Contractor will meet with the Chief of the OBHCS to establish the terms of the contract (see the Sample Agreement included in this package). The contract will be signed no later than June 30, 1994.
8. Once the contract is executed, the contractor will be provided an immediate notice to proceed to begin work.